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MARX'S CRITIQUE OF (RICARDIAN) POLITICAL ECONOMY, THE QUANTITY THEORY OF MONEY AND CREDIT MONEY

ECONOFICTION CAPITAL, CREDIT, FINANCE, MARX, MARXISM, MONEY, QUANTITY THEORY, RICARDO, VALUE THEORY

The Marxist concept of value is very frequently equated, whether explicitly or merely tacitly, with the corresponding Ricardian concept of "labour expended". This paper argues that unlike the Ricardian theory of value, the Marxist theory of value is a monetary theory. In the Marxist system, the value of a commodity is expressed not through itself but through its distorted forms of appearance, in prices. Moreover, it cannot be de ned in isolation, but exclusively in relation to all other commodities, in a process of exchange. In this relation of exchange value is materialised in money. The essential feature of the "market economy" (of capitalism) is thus not simply commodity exchange but monetary circulation and money. Commodity exchange presupposes thus the (positive) prices of all commodities involved. In other words, prices are not determined after the establishment of a non-monetary equilibrium system of barter between "production sectors", like Sraffas "linear production systems". On the contrary, barter is for Marx non-existing, as all exchange transactions are made up of separate acts of exchange of commodities with money.

Prices are determined in the process of capitalist commodity production, i.e. in a historically unique process of (capitalist) production-for-the-exchange, a process which unites immediate production with circulation. Money is thus conceived as the adequate form of appearance of capital, that is a material embodiment of abstract and therefore equal human labour, which the capitalist appropriates, and which in the framework of capitalist relations of exploitation is accumulated and functions as a "self-valorising value".

Only these Marxian concepts of value and money enable, on the one hand, a radical critique to the Quantity Theory of money, and on the other, an insight into the process of credit-money formation, in the framework of the reproduction and circulation of the total social capital.

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